



POSTAL SERVICE

39 CFR Part 501

Notice of Organization Name and Address Change

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is revising the rules concerning authorization to manufacture and distribute postage evidencing systems to reflect that the Office of Postage Technology Management is now known as Payment Technology and has a new mailing address.

DATES: *Effective date:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Marlo Kay Ivey, Business

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SUPPLEMENTARY INFORMATION: The United States Postal Service® (USPS®) has undergone a redesign. In that process, the Office of Postage Technology Management (PTM) was renamed Payment Technology (PT) and is now under the direction of the office of the Vice President of Mail Entry and Payment Technology, within the purview of the Chief Information Officer. In addition, since the relocation of its physical office, Payment Technology has a new mailing address.

List of Subjects in 39 CFR Part 501

Administrative practice and procedure.

Accordingly, for the reasons stated in the preamble, the Postal Service amends 39 CFR part 501 as follows:

**PART 501 — AUTHORIZATION TO MANUFACTURE AND DISTRIBUTE
POSTAGE EVIDENCING SYSTEMS**

1. The authority citation for 39 CFR part 501 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 410, 2601, 2605, Inspector General Act of 1978, as amended (Pub. L. 95-452, as amended); 5 U.S.C. App. 3.

2. In § 501.2, revise paragraph (g) to read as follows:

§ 501.2 Postage Evidencing System provider authorization.

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(g) The Postal Service office responsible for administration of this part is the Office of Payment Technology (PT) or successor organization. All submissions to the Postal Service required or invited by this part are to be made to this office in person or via mail to 475 L'Enfant Plaza SW, Room 3500, Washington DC 20260-0004.

3. In § 501.6, revise paragraphs (c)(1)-(3) and (e) to read as follows:

§ 501.6 Suspension and revocation of authorization.

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(c) * * *

(1) Upon determination by the Postal Service that a provider is in violation of provisions of this part, or that its Postal Evidencing System poses an unreasonable risk to postal revenue, PT, acting on behalf of the Postal Service,

shall issue a written notice of proposed suspension citing the specific conditions or deficiencies for which suspension of authorization to manufacture and/or distribute a specific Postage Evidencing System or class of Postage Evidencing Systems may be imposed. Except in cases of willful violation, the provider shall be given an opportunity to correct deficiencies and achieve compliance with all requirements within a time limit corresponding to the potential risk to postal revenue.

(2) In cases of willful violation, or if the Postal Service determines that the provider has failed to correct cited deficiencies within the specified time limit, PT shall issue a written notice of suspension setting forth the facts and reasons for the decision to suspend, and the effective date if a written defense is not presented as provided in paragraph (d) of this section.

(3) The notice shall also advise the provider of its right to file a response under paragraph (d) of this section. If a written response is not presented in a timely manner the suspension may go into effect. The suspension shall remain in effect for ninety (90) calendar days unless revoked or modified by PT.

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(e) After receipt and consideration of the defense, PT shall advise the provider of its decision, and the facts and reasons for it. The decision shall be effective upon receipt unless it provides otherwise. The decision shall also advise the provider that it may be appealed within thirty (30) calendar days of receipt (unless a shorter time frame is deemed necessary). If an appeal is not filed in a timely manner, the decision of PT shall become a final decision of the Postal

Service. The appeal may be filed with the Chief Information Officer of the Postal Service and must include all supporting evidence and state with specificity the reasons the provider believes that the decision is erroneous. The decision of the Chief Information Officer shall constitute a final decision of the Postal Service.

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4. In § 501.7, revise paragraph (a) to read as follows:

§ 501.7 Postage Evidencing System requirements.

(a) A Postage Evidencing System submitted to the Postal Service for approval must meet the requirements of the Intelligent Mail Indicia Performance Criteria published by PT. Copies of the current Performance Criteria may be requested via mail to the address in § 501.2(g).

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5. In § 501.8, revise paragraph (a) to read as follows:

§ 501.8 Postage Evidencing System test and approval.

(a) To receive Postal Service approval, each Postage Evidencing System must be submitted by the provider and evaluated by the Postal Service in accordance with the Postage Evidencing Product Submission Procedures published by PT. Copies of the current Performance Criteria may be requested via mail to the address in § 501.2(g). These procedures apply to all proposed Postage Evidencing Systems regardless of whether the provider is currently authorized by the Postal Service to distribute Postage Evidencing Systems. All testing required by the Postal Service will be an expense of the provider.

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6. Revise § 501.10 to read as follows:

§ 501.8 Postage Evidencing System modifications.

(a) An authorized provider must receive prior written approval from the manager, PT, of any and all changes made to a previously approved Postage Evidencing System. The notification must include a summary of all changes made and the provider's assessment as to the impact of those changes on the security of the Postage Evidencing System and postage funds. Upon receipt of the notification, PT will review the summary of changes and make a decision regarding the need for the following:

(1) Additional documentation.

(2) Level of test and evaluation required.

(3) Necessity for evaluation by a laboratory accredited by the National Institutes of Standards and Technology (NIST) under the National Voluntary Laboratory Accreditation Program (NVLAP).

(b) Upon receipt and review of additional documentation and/or test results, PT will issue a written acknowledgement and/or approval of the change to the provider.

7. In § 501.12, revise paragraph (d) to read as follows:

§ 501.12 Administrative sanctions.

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(d) After receipt and consideration of the defense, the Postal Service shall advise the provider of the decision, and the facts and reasons for it; the decision shall be effective upon receipt unless it provides otherwise. The decision shall

also advise the provider that it may, within thirty (30) calendar days of receiving written notice, appeal that determination to the Chief Information Officer of the Postal Service, who shall issue a written decision upon the appeal, which will constitute the final Postal Service decision.

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Stanley F. Mires

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